



STARTing Line



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News about START, Louisiana's tax-advantaged college savings program

START partners with BabyMint

The Louisiana Tuition Trust Authority (LATTA) has approved a partnership agreement between the Student Tuition Assistance and Revenue Trust (START) Saving Program, Louisiana's 529 college saving plan, and the BabyMint network—a microinvestment technology firm that automatically deposits cash rebates into 529 plans when participants shop at selected retailers.

"This is another way we've improved START to make it even easier for Louisiana citizens to plan ahead for the costs of higher education," State Treasurer John Kennedy said. "This partnership with BabyMint can help START account owners turn everyday purchases into savings tools for college."

START Director Carol Fulco said the partnership will assist START account owners in reaching their college savings goals when they shop at any of the more than 700 merchants and 127,000 grocery stores contained within the BabyMint retail network.

According to Peter Davis, BabyMint President and Chief Executive Officer (CEO), participants can receive up to 25 percent in cash back contributions on purchases of brand name products through the company's grocery coupon program.

In addition, BabyMint rebates are provided by online retailers including Gap, L.L. Bean, Barnes & Noble and many

others. Rebates are also available when gift certificates are purchased from select retailers such as Macy's, Pizza Hut and Starbucks. A 5-percent monthly rebate is also offered by some long distance telephone service providers.

centage rate (APR) as low as 9.9 percent, with no annual fee. A rebate of 1 percent is made to their START accounts on all items purchased with the BabyMint Mastercard, even items not offered within the BabyMint retail network.



"START owners now have the option of registering for BabyMint when they open their accounts," Fulco added. "Individual investors can register with BabyMint online at no charge and have their rebates linked directly to their START saving accounts."

Davis said START account owners can now save additional sums by recapturing a portion of their routine expenditures for goods and services.

"BabyMint is intended as a means for START account owners to enhance their savings," he said. "All BabyMint rebates deposited in START accounts will earn interest and state matching funds."

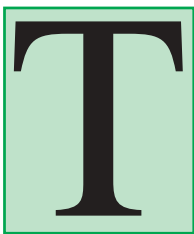
As an added benefit, account owners who wish may apply for a BabyMint credit card that boasts an annual per-

"START is already one of the best 529 college savings plans in the country, and these new features make it better than ever," Kennedy said. "As a START account owner, I look forward to registering with BabyMint to take advantage of every possible dollar I can save for my son's education."

Louisiana's START Saving Program allows family members or other interested parties to open a college savings account for a beneficiary of any age. The interest earned by funds deposited to the account is exempt from federal and state taxes when used to pay for college, and the state of Louisiana will match a portion of the deposits. Account owners can deduct up to \$2,400 in deposits per account, per year, from income normally reported on state tax returns.

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START deposits up 163 percent in 2002



he Student Tuition Assistance and Revenue Trust (START) program experienced another year of exceptional growth in 2002, with account contributions growing from \$7.1 million to \$18.7 million invested by the close of the year.

Along with increased deposits to Louisiana's tax-advantaged college savings plan, the program also showed a dramatic increase in the number of new

accounts opened in 2002, with accounts jumping from 4,307 to 7,471.

By Dec. 31, 2002, the START program's total assets amounted to more than \$19.7 million, up from \$7.56 million in 2001.

Program Director Carol Fulco attributes START's outstanding growth to heightened public awareness of the program as a result of a recent statewide television and print advertising campaign, as well as the program's diversity of investment

plans, including the soon-to-be-available equities option.

"We are in the process of wrapping up the last-minute details in finalizing an agreement with a professional money management corporation that will handle our equities investment option," Fulco said. "This option should be made available to account owners by July 1."

For more information, contact the START office by phone at (800) 259-5626, Ext. 1012 or e-mail at start@osfa.state.la.us.

LOSFA's second annual Call-In Night makes after-hours contacts possible

The Louisiana Office of Student Financial Assistance (LOSFA) will offer a special Call-In Night on Monday, Feb. 17, 2003 from 6-9 p.m.

As a courtesy to those students and parents who find it problematic to contact the agency during normal operating hours, LOSFA's toll-free financial aid hotline will be fully staffed by public information representatives and other financial aid professionals during these hours.

The well-versed staff will be available to provide information on a wide range of topics, including the START Saving Program. Inquiries regarding the Tuition Opportunity Program for Students (TOPS) scholarship, other scholarships and grants and the Free Application for Federal Student Aid (FAFSA) are also encouraged.

Callers accessing LOSFA from outside the Baton Rouge area may reach the agency through its toll-free line at (800) 259-5626, Ext. 1012. Those in the Baton Rouge area may dial locally at 922-1012.

People are talking about... BabyMint

"Headquartered in Atlanta, BabyMint Inc. is widely recognized as the leader in micro-investing technology." *NPR Marketplace Morning Report*

"Alone, the plans, which go by the names Upromise and BabyMint, won't put your kid through school. But as a supplement to college savings, they can provide a boost." *BusinessWeek*

"This novel approach (microinvesting for college), is being spearheaded by Atlanta-based BabyMint." *Financial Planning Interactive*

"BabyMint has launched a program that offers rebates from more than 200 online retailers, including the Gap and Lands End. BabyMint also offers gift certificates and coupons that can be used at more than 500 bricks-and-mortar retailers. 'New families spend 27 percent more than the average consumer,' CEO Peter Davis says. 'They're out there spending all this money at the same time that they need to save.'" *USA Today*

"It sounds too good to be true, but we talked to a financial planner who doesn't think so. 'I did not find a downside,'" says Jeff Peterson. "I looked, I looked and I looked. I did not find a downside."

The two largest firms are BabyMint and Upromise. *NBC (Channel 12)*

"What especially distinguishes BabyMint from the other microinvesting programs, college savings-oriented or not, is that on Jan. 8, the company launched the BabyMint Financial Advisor Program." *Investment Advisor*

"Forget frequent-flier miles. The latest fad in credit-card rebates appears to be money for your kid's college education... BabyMint—which funnels a portion of what you spend at certain online merchants into any state's 529—intends to roll out a credit card by the spring." *Money (magazine)*

"As gimmicky as they seem, Web sites that kick back a percentage of purchases into 529 college plans are helping advisers open more college savings accounts – and increase assets." *Investment News*

"BabyMint operates as a marketing organization. There are two distinct advantages to this model." *Tower Group*

"BabyMint is the more flexible program." *Smart Money (magazine)*

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START is Louisiana's qualified program under Section 529 of the federal tax code. START deposits, state matching funds and interest earned on these funds may be used to pay for tuition, books, supplies, housing, meals and other qualified higher-education expenses at ac-

credited colleges and graduate or professional schools located either in Louisiana or out of state.

A START account may be opened by any member of the beneficiary's family (parents, grandparents, brothers and sisters, aunts and uncles,

spouses, cousins, step-relatives) or any other person or legal entity (such as a business, organization, church or association) or by an independent student for themselves.

For more information, contact START at (800) 259-5626, Ext. 1012.



From left: State Treasurer John Kennedy, Louisiana Tuition Trust Authority (LATA) Vice Chair Frances Henry, BabyMint Chief Marketing Officer Bill Koleszar and Governor Foster's Education Advisor Mike Wang discuss the recent START/ BabyMint partnership agreement during a press conference held Jan. 13 at the Louisiana State Capitol.



LOSFA Director of Public Information and Communications Gus Wales, center, meets with members of the press and the Louisiana Treasurer's Office immediately following the START/BabyMint conference.



From left: LATA members Jimmy Long, Sr. and Winfred Sibille and LOSFA Executive Director Jack Guinn were on hand for the START/BabyMint partnership announcement.

NOTICE TO ACCOUNT OWNERS:

START account numbers are the Social Security Numbers of the account owner followed by a two-digit number assigned to the beneficiary. This account number — not the beneficiary's Social Security Number — must be recorded on all payments and correspondence concerning the account.

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